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SIPDIS

SENSITIVE  
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DEPT PASS G, OES, EUR; WHITE HOUSE FOR CEQ

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TAGS: [SENV FR](#)

SUBJECT: MAJOR ECONOMIES MEETING - AMBASSADOR GRAY ENGAGES  
FRENCH ON OBJECTIVES

11. (SBU) SUMMARY: ON SEPTEMBER 17, IN MEETINGS WITH PRESIDENT SARKOZY'S PERSONAL REPRESENTATIVE TO THE WASHINGTON SEPTEMBER 27-28 MAJOR ECONOMIES MEETING (MEM), AND WITH THE MFA'S DEPUTY MINISTER FOR ECONOMICS AND FINANCE, USEU AMBASSADOR GRAY ADDRESSED FRENCH CONCERNS AND HIGHLIGHTED U.S. MEM OBJECTIVES. FRENCH OFFICIALS ONCE AGAIN EMPHASIZED THAT THERE NEEDS TO BE A DISTINCTION BETWEEN THE EU/EC AND FRANCE AT THE MEETING. GRAY RESPONDED THAT TO BE ABLE TO HAVE ANY 'REAL DIALOGUE' AT THE MEM, THE SMALLER THE NUMBER OF PLAYERS THE BETTER. ON SUBSTANCE, FRENCH OFFICIALS SAID THEY SUPPORT MEM, YET THEY ALSO CLAIMED THAT IT SHOULD INCLUDE DISCUSSION OF 'TOP-DOWN' MEASURES SUCH AS CAP-AND-TRADE SYSTEMS FOR GREENHOUSE GASES. GRAY HIGHLIGHTED RECENT REPORTS THAT CAP-AND-TRADE SYSTEMS ARE BETTER AT PROMOTING UPTAKE OF EXISTING TECHNOLOGIES AND NOT AS GOOD AT FOSTERING THE INNOVATION TO ACHIEVE BREAKTHROUGH TECHNOLOGIES. END SUMMARY.

12. (U) AMBASSADOR BOYDEN GRAY ENGAGED SECRETARY OF STATE FOR ECOLOGY AND SUSTAINABLE DEVELOPMENT NATALIE KOSCIUSKO-MORIZET ("NKM"), PRESIDENT SARKOZY'S PERSONAL REPRESENTATIVE TO THE MAJOR ECONOMIES MEETING (MEM), AND CHRISTIAN MASSET, DEPUTY FOREIGN MINISTER FOR ECONOMICS AND FINANCE, IN SEPARATE MEETINGS ON SEPTEMBER 17 ABOUT U.S. OBJECTIVES FOR THE MEM. USEU AND EMBASSY PARIS ESTH OFFICERS ACCOMPANIED HIM. COUNSELOR JEAN MICHEL LINOIS AND FRANCE'S AMBASSADOR FOR THE ENVIRONMENT LAUREN STEFANINI PARTICIPATED IN GRAY'S MEETINGS WITH NKM AND MASSET, RESPECTIVELY. AMBASSADOR GRAY ALSO DISCUSSED THE MEM WITH FRENCH PRESS IN ROUNDTABLE FORMAT.

FRANCE WANTS TO BE FRANCE IN WASHINGTON....  
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13. (SBU) BOTH NKM AND MASSET SPOKE HIGHLY OF THE PRESIDENT'S MEM INITIATIVE AND THAT IT NEEDS TO BE AMBITIOUS, "AT THE LEVEL OF THE (CLIMATE) CHALLENGE." BOTH SAID FRANCE LOOKS FORWARD TO ATTENDING AND THEY HOPED FOR ITS SUCCESS. HOWEVER, BOTH REMARKED THAT FRANCE WOULD ATTEND THE MEM AS AN ENTITY DISTINCT FROM THE EU OR THE EC; FRANCE IS AN IMPORTANT ACTOR IN ITS OWN RIGHT AND NEEDED ITS OWN VOICE AT THE TABLE. "WE ARE VERY SENSITIVE TO THIS POINT," SAID NKM, AND ADDED THAT FRANCE'S AMBASSADOR TO WASHINGTON VIMONT HAD RAISED THIS WITH THE DEPARTMENT. NKM EVEN CLAIMED, "FROM OUR PERSPECTIVE, THE MEM IS A G8-BASED PROCESS...." GRAY RESPONDED TO BOTH RELAYING THE HISTORICAL EXAMPLE OF HOW PROGRESS WAS MADE TO REACH THE MONTREAL PROTOCOL: A DOZEN KEY NATIONS UNDERTOOK TO WORK TOGETHER TO DEVELOP A COHERENT FRAMEWORK FOR ADDRESSING OZONE MULTILATERALLY. HAD THIS PROBLEM BEEN TACKLED IN UNENDING PLENARY SESSIONS WITH 160-ODD DELEGATES PRESENTING SET SPEECHES, CONSENSUS WOULD HAVE BEEN LONG IN COMING. GRAY EMPHASIZED THE MEM'S PURPOSE IS TO GET THE KEY EMITTERS TO THE TABLE TO ENGAGE IN FRANK

DISCUSSIONS. AS THINGS STAND, GRAY SAID, EUROPE WITH 16% OF  
WORLD GHG EMISSIONS WILL HAVE 30% OF THE SEATS AT THE TABLE.

TOP-DOWN OR BOTTOM-UP  
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14. (SBU) NKM ALSO WANTED CONFIRMATION THAT THE MEM WOULD  
SUPPORT THE EXISTING UN CLIMATE PROCESS AND THAT IT WOULD  
"BUILD ON KYOTO AND CONVERGE SYSTEMS." SIMILARLY, MASSET  
SAID THE MEM "SHOULD NOT BE ALL ABOUT PUBLIC PARTNERSHIPS;  
THAT THERE WAS A NEED FOR BOTH 'TOP-DOWN' AND 'BOTTOM-UP'  
APPROACHES." THE TOP-DOWN OR CAP-AND-TRADE SYSTEM ACCORDING  
TO MASSET WOULD SEND NECESSARY PRICE SIGNALS TO THE MARKET,  
ESSENTIAL TO PROMOTING EFFICIENCIES AND DEVELOPING NEW  
TECHNOLOGIES TO CONTROL EMISSIONS. GRAY RESPONDED  
UNEQUIVOCALLY THAT THE UPCOMING MEETINGS PURPOSE WOULD BE TO  
ADVANCE THE UN PROCESS. REGARDING TOP-DOWN MEASURES, GRAY  
DESCRIBED TO NKM AND MASSET WHAT THE U.S. SAW AS THE KEY  
THINGS THAT NEEDED TO BE ACCOMPLISHED AT THE COMING MEETING,  
INCLUDING ENHANCING COLLABORATION ON CARBON CAPTURE AND  
STORAGE AND SECOND GENERATION BIOFUELS, AS WELL AS ENHANCING  
THE METRICS/MEASUREMENTS SURROUNDING REFORESTATION. NKM SAID  
THAT FRANCE WOULD WELCOME DISCUSSION OF ALL THREE. GRAY,  
REFERRING TO A RECENTLY PRODUCED CLUB OF MADRID/UNFOUNDATION  
DOCUMENT, UNDERScoreD THAT CAP-AND-TRADE SYSTEMS FOR CARBON  
EMISSIONS WERE PREMATURE. IMPLEMENTATION OF A CAP-AND-TRADE  
SYSTEM WOULD FORCE ACTORS TO UTILIZE LEAST COST AVAILABLE  
TECHNOLOGIES RATHER THAN TO INNOVATE FOR BREAKTHROUGH  
TECHNOLOGIES. GRAY EMPHASIZED THAT ADDITIONAL WORK WAS  
REQUIRED TO BRING NEW CLIMATE-FRIENDLY TECHNOLOGIES TO MARKET  
BEFORE IMPLEMENTATION OF CAP-AND-TRADE SYSTEMS TO ADDRESS  
CARBON EMISSIONS.

PROCEEDINGS RECORD  
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15. (SBU) NKM'S FINAL MAIN POINT: THERE NEEDS TO BE A RECORD  
OF THE MEM DISCUSSIONS AND CLARITY REGARDING NEXT STEPS.  
AMBASSADOR GRAY REASSURED HER THAT THERE WOULD BE NO  
DECLARATION WHICH WOULD HAVE TO BE NEGOTIATED, BUT THERE  
WOULD BE A DOCUMENT REFLECTING THE NATURE OF THE DISCUSSIONS  
AND A TIMETABLE FOR FUTURE MEETINGS.

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